

ORIGINAL

EX PARTE OR LATE FILED

BELLSOUTH

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October 31, 2000

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

OCT 31 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: CC Docket No. 96-115, Telecommunications Carriers' Use of Customer
Proprietary Network and Other Customer Information; CC Docket No. 96-98,
Implementation of the Local Competition Provisions of the Telecommunications Act of
1996; CC Docket No. 99-273, Provision of Directory Listing Information Under the
Telecommunications Act of 1934, As Amended Ex Parte

Dear Ms. Salas:

This is to inform you that on October 30, 2000 representatives of SBC Communications, Inc., Verizon, Qwest and BellSouth met with Yog Varma, Deputy Chief of the Common Carrier Bureau and Charles L. Keller, Chief of the Network Services Division, Common Carrier Bureau concerning issues related to the above referenced proceeding.

The attached document was used for discussion purposes. Please associate this notification and the accompanying material with the referenced docket proceeding. During the discussion more specific information was provided, for instance, concerning the accuracy rates, customer usage of DA services and state requirements for free call volumes, etc. This supplemental information will shortly be organized and submitted for the record in the proceeding.

The attached list provides the names of the representatives in attendance for the meeting.

If there are any questions concerning this matter, please contact the undersigned.

Sincerely,



Ben G. Almond
Vice President-Federal Regulatory

Attachment

Cc: Yog Varma
Charles L. Keller

Noted by [signature] ct
10/31/00

Directory Assistance
October 30, 2000

BellSouth, Qwest, SBC and Verizon

Representatives:

BellSouth

Trip Agerton
Mary Henze
Ben Almond

SBC

Jan Rogers
Susan Goodson
Celia Nogales

Qwest

Clark Connif
Elridge Stafford

Verizon

Vinnie Woodbury
Marie Breslin

Directory Assistance

October 30, 2000

BellSouth, Qwest, SBC and Verizon

PURPOSE

- Share our view of the market reality
 - Directory Assistance is an important business
- Telegate aggressively pushing presubscription
 - numerous ex partes and assertions
- Understand your view and direction

REALITY OF THE MARKET

- Directory assistance is competitive
 - NDA Forbearance
 - UNE Remand Order
- Quality is excellent
- State Jurisdiction

ISSUES

Assertions

- Inaccurate information
- Poor service quality

Reality

- Numerous third party audits reflect accuracy rates in the 90's
 - Companies conduct periodic audits
- Telegate fails to substantiate its claims
- State service requirements
- Quality assurance/monitoring
- Negligible complaints based on millions of daily calls
 - Statistically Zero
- Incentive based pay on accuracy and courtesy

ISSUES

Assertions

- Reduced innovation
- Unserved communities

Reality

- Significant innovation has occurred
ex: National Directory Assistance, Enhanced Directory Assistance (Wireless), Call Completion
- Ubiquitous/reliable service
- Bilingual call handling

ISSUES

Assertions

- Low technical cost

Reality

- Telegate grossly underestimated.
- Technical Cost Categories
 - OSS/ IT Costs
 - AIN Deployment
 - Increase Records Storage Capacity
 - Increase Query Volumes
 - Development of Actual New Feature
 - Provisioning
 - Switch Development and Deployment Costs
 - Billing Capabilities

ISSUES

Assertions

- AIN and SS7 already deployed
- Balloting and allocation fairest, most pro-competitive method

Reality

- Not ubiquitous
 - Some switch platforms don't support AIN
 - Small Carrier Impact
- Balloting very expensive and disruptive
 - Bell Atlantic estimated at \$70 M
- Allocation is “gift” market share

ISSUES

- Legality
 - No Commission Jurisdiction
 - Procedural issue
- Public Interest
 - Where is consumer outcry for change?
 - Public confusion
 - Costs exceed perceived benefit
 - Weighing Public Policy vs. One Private Company's Interests
- State PUC Authority
 - Social contract (allowances)
 - Pricing regulation
 - FCC preemption

ISSUES

- Slamming
 - Administrative nightmare
 - Non-carrier DA providers or ISPs not regulated
 - FCC/FTC resources to handle complaints
 - Consumer impact vs. cost to administer
- Market Entry and Exit
 - Rules for future balloting and allocation
 - Stranded subscribers
 - Obligation to provide?

CONCLUSION

- Directory Assistance is:
 - competitive
 - robust
 - innovative
- Presubscription is expensive and disruptive
- Market dynamics will prevail

FCC PREVIOUSLY RECOGNIZED COMPETITIVE REALITY OF DA

- UNE Remand: Paragraphs 447-449
 - “Alternatives in the Marketplace. Competition in . . . directory assistance has existed since divestiture. Such competition has accelerated in the directory assistance market.”
- US WEST NDA Order: Paragraph 10 & Footnote 87
 - AT&T, MCI, Metro One and INFONXX cited

